

News Release



U.S. Department of Labor
Office of Public Affairs
New York, N.Y.
Release Number: 04-958-NEW

For Immediate Release
Date: June 23, 2004
Contact: Rita Ford
Phone: (202) 693-8671

U.S. Labor Department Seeks Independent Fiduciary For Abandoned 401(k) Plan

BINGHAMTON-- The U.S. Department of Labor has filed a lawsuit to appoint an independent fiduciary for the 401(k) plan of the Tier Electric Corporation in Johnson City, N.Y., to distribute the plan's assets and terminate the plan.

"The department took legal action to ensure that the participants receive their promised benefits," said James Benages, director of the Boston regional office of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

Plans become orphan plans when they are abandoned by all fiduciaries designated to manage and operate them, thereby leaving participants without a way to transact business and communicate with the plan.

The suit, filed in the federal district court in Binghamton, N.Y., alleges that former trustee Robert H. Klink abandoned the plan and failed to ensure that the plan's assets were properly distributed to the participants, in violation of the Employee Retirement Income Security Act (ERISA). The plan covered 16 participants and held approximately \$4,149 in assets as of March 2002.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA's Boston regional office at (617) 565-9600 or through EBSA's toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

###

(Chao v. Tier Electric Corp. 401(k) Plan)
Civil Action No. 3:04CB0725